

Message Text

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ACTION EUR-12

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R 151320Z SEP 76
FM AMEMBASSY BELGRADE
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INFO SECSTATE WASHDC 8054

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E.O. 11652: NA
TAGS: BBAK BFOL YO
SUBJ: WTDR/FTI

REF: USDOC 13867

1. YUGOSLAVIA 2. CNTRY CODE: 479 3. SER. NO:
 4. ZAVODI "CRVENA ZASTAVA" REQUESTED FOR ZASTAVAIMPEX
 - 4A. CODE: 4B. CODE A 4C. CODE: X 4D. CODE:
 5. POBOX 151 SPANSKIH BORACA 2
 6. 34000 KRAGUJEVAC
 7. ESTABL: 1853
 8. EMPL: OVER 32000
 9. SIZE: (18-X) VERY LARGE
 10. REPUTATION: (22-X) EXCELLENT
 - 11B. EUROPE, ASIA, AFRICA
 12. RPT. DATE 09/76
 13. 37111/04 MFR & EXP OF MOTOR VEHICLES AND CAR BODIES
37141/04 MFG & EXP OF PARTS AND ACCESSORIES FOR MOTOR
VEHICLES, EXCLUDING KITS & REBUILT PARTS
37131/04 MFR & EXP OF TRUCK, BUS AND OTHER VEHICLE BODIES
37132/04 MFR & EXP OF COMPLETE VEHICLES
34840/04 MFG & EXP OF SMALL ARMS
35230/G INTEREST IN LICENSE TO MANUFACTURE
35450/G INTEREST IN LICENSE TO MANUFACTURE
 14. CONTACT: MR. MILENKO BOJANIC TITLE: DIRECTOR GENERAL
 15. CABLE: ZASTAVA
 16. TELEX: 17111 I 17128 YU ZOZ
 17. TEL: 034/62-140
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18. FINANCIAL REF: JUGOBANKA, BEOGRAD; BEOGRADSKA BANKA,

BEOGRAD

19. TRADE REF: "FIAT", TURIN, ITALY

10. "FIAT" TURIN, ITALY - COOPERATION FOR PRODUCTION OF CARS-FIAT 132 GLS; "BERETA" ITALY - COOPERATION FOR PRODUCTION OF SHOT GUNS.

21. ZAVODI "CRVENA ZASTAVA", WITH HEADQUARTERS IN KRAGUJEVAC, IS THE FIFTH LARGES INDUSTRIAL ENTERPRISE IN YUGOSLAVIA. ORIGINALLY ESTABLISHED AS A GUN FOUNDRY IN 1853, THE ENTERPRISE ENTERED

THE AUTOMOTIVE FIELD IN 1953 AND HAS SINCE BECOME THE COUNTRY'S LARGEST MANUFACTURER OF PASSENGER CARS AND COMMERCIAL VEHICLES. CRVENA ZASTAVA IS DIVIDED INTO 37 SUBDIVISIONS WHICH EMPLOY OVER 32,000 WORKERS AT LOCATIONS IN EVERY CONSTITUENT REPUBLIC AND AUTONOMOUS PROVINCE. TWENTY-EIGHT OF THESE SUBDIVISIONS ARE ORGANIZED INTO THREE PROGRAM COMMUNITIES WHICH CARRY OUT THE BULK OF PRODUCTION ACTIVITIES.

THE PIECE PRODUCTION COMMUNITY, CONSISTING OF EIGHT SUBDIVISIONS, PRINCIPALLY MANUFACTURES SPORTING AND OTHER WEAPONS, AND, IN ADDITION, A LIMITED QUANTITY OF FORGINGS AND TOOLS FOR CUTTING, MEASURING AND TESTING. WEAPONS UNDER PRODUCTION INCLUDE 12 AND 16 GAUGE SHOTGUNS, 18 CALIBRE MAUSER RIFLES, AND PISTOLS OF 9 MM, 7.62 MM AND 7.54 CALIBRES.

THE ZASTAVA AUTO COMMUNITY MANUFACTURES THREE BASIC TYPES OF PASSENGER CARS IN ITS 17 SUBDIVISIONS. THE "ZASTAVA" MODELS (750, 1300/1500 AND 101) ARE MANUFACTURED UNDER LICENSE FROM FIAT AND IN 1974 TOTAL PRODUCTION AMOUNTED TO 115,000 UNITS. THE "125P" AND "LADA" MODELS ALSO OF FIAT DESIGN, ARE PRODUCED IN COOPERATION

WITH THE POLISH AND SOVIET AUTOMOTIVE INDUSTRIES RESPECTIVELY, AND 1974 OUTPUT OF THESE MODELS WAS 20,000 UNITS.

THE COMMERCIAL VEHICLES MANUFACTURING COMMUNITY, WHICH ENCOMPASSES THREE SUBDIVISIONS, PRODUCES DELIVERY VANS AND 1-4 TON CAPACITY TRUCKS. IN 1974 APPROXIMATELY 7,000 VEHICLES WERE ASSEMBLED.

ZASTAVA IMPEX, ONE OF NINE SUBDIVISIONS OUTSIDE OF THE PROGRAM COMMUNITY STRUCTURE, IS RESPONSIBLE FOR ALL FOREIGN SALES AND PURCHASES OF THE ENTERPRISE. PASSENGER CARS AND COMMERCIAL VEHICLES PRODUCED BY CRVENA ZSTAVA ARE SOLD IN 16 COUNTRIES OF EUROPE, ASIA AND AFRICA. TOTAL ENTERPRISE SALES WERE \$540 UNCLASSIFIED

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MILLION IN 1974.

CRVENA ZASTAVA HAS RECENTLY ANNOUNCED A \$400 MILLION DEVELOPMENT PROGRAM TO EXPAND VEHICLE OUTPUT AND TO DIVERSITY INTO NEW FIELDS OF PRODUCTION IN 1976-80. ACCORDING TO THIS PROGRAM, AUTO PRODUCTION CAPACITY WILL BE INCREASED TO 255,000 UNITS ANNUALLY AND TRUCK PRODUCTION CAPACITY TO 18000 UNITS ANNUALLY. AGRICULTURAL EQUIPMENT WILL BE ADDED TO THE FIRM'S PRODUCTION

AND NEW EQUIPMENT LINES WILL BE INTRODUCED TO MEET ANTICIPATED DEMAND FOR ENVIRONMENTAL CONTROL SYSTEMS, PARTICULARLY IN THE AREAS OF INDUSTRIAL WASTE WATER, AIR POLLUTION AND MUNICIPAL SEWAGE TREATMENT. CRVENA ZASTAVA WILL CONSIDER VARIOUS FORMS OF INDUSTRIAL COOPERATION WITH FOREIGN FIRMS IN ORDER TO ACHIEVE ITS EXPANSION GOALS INCLUDING CO-PRODUCTION, JOINT VENTURES AND PRODUCTION UNDER LICENCE.

CRVENA ZASTAVA AND ITS SUBDIVISIONS HAVE A GOOD COMMERCIAL REPUTATION AND ARE CONSIDERED TO BE A SUITABLE TRADING PARTNER FOR AMERICAN FIRMS.

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